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FM SECSTATE WASHDC
TO AMEMBASSY KUALA LUMPUR IMMEDIATE

C O N F I D E N T I A L STATE 039049

SIPDIS

E.O. 12958: DECL: 04/14/2018
TAGS: PARM PREL ETTC

SUBJECT: IRANIAN PARTICIPATION IN MALAYSIAN ARMS SHOW

Classified By: EAP CRHill, Reason 1.4 (a) and (d)

¶1. (C) Summary: Iran Aviation Industries Organization, Iran Electronics Industries, M.O.D. - Defensive Products Department, and MODLEX - Export Center are scheduled to participate in the Defense Services of Asia (DSA) 2008 Exhibition in Malaysia April 21-24. The participation of these entities in the trade exhibition raises several proliferation concerns, including that such participation may involve transfers or transactions prohibited by UN Security Council Resolutions (UNSCR) 1737 (2006), 1747 (2007) and 1803 (2008). Department requests that Post remind GOM of the arms transfer and other relevant restrictions imposed by these resolutions and consult with the GOM on whether it is aware of any arms or related materiel the entities might bring into Malaysia or of any connections the entities have to entities designated in the annexes to UNSCRs 1737, 1747 or 1803. End Summary

OBJECTIVES

¶2. (C) Post is requested to immediately approach appropriate host government officials regarding the planned participation of several Iranian Ministry of Defense and Armed Force Logistics subsidiaries in the April 21-24 DSA Exhibition and Conference. Post should pursue the following objectives with the GOM:

-- Stress that participation by Iran Aviation Industries Organization; Iran Electronics Industries; M.O.D. - Defensive Products Department; and MODLEX - Export Center in the DSA 2008 exhibition may run afoul of measures imposed in UNSCR ¶1747. In particular, paragraph 5 of UNSCR 1747 prohibits Iran from transferring from its territory or by its nationals any arms or related materiel.

-- Request information on what type of equipment or other supplies, if any, these entities intend to bring into Malaysia

-- Remind the GOM that its obligations to implement the asset freeze provisions of UNSCRs 1737, 1747 and 1803 extend not only to individuals or entities designated in the annexes to those resolutions, but also to entities owned or controlled by them or acting on their behalf.

-- Urge the GOM to prevent Iranian exhibitors from participating in DSA 2008.

BACKGROUND

¶3. (SBU) Post may draw from the following points in paragraphs 4-8, which may be left behind as a non-paper.

¶4. (SBU) In light of Iran's continued defiance of the international community and the measures imposed on Iran and Iranian entities in UN Security Council Resolutions 1737 (2006), 1747 (2007), and 1803 (2008), the participation of Iranian defense entities in the April 21-24 Defense Services of Asia 2008 exhibition raises a number of proliferation concerns.

¶ 15. (SBU) UNSCR 1747, which was adopted unanimously on March 24, 2007, places restrictions on Iranian arms transfers. Operative paragraph 5 of UNSCR 1747 prohibits Iran from transferring &directly or indirectly from its territory or by its nationals(any arms or related materiel.⁸ Transfer by Iran or Iranian entities to Malaysia of any arms or related materiel, even if temporarily and only for purposes of participation in the DSA 2008 exhibition, would be a violation of UNSCR 1747. Permitting these entities to participate in this exhibition could be viewed as support of Iranian attempts to circumvent the UNSC-mandated arms transfer prohibitions, and is clearly inconsistent with the spirit of UNSCRs 1737, 1747, and 1803.

¶ 16. (SBU) Some of these entities may be associated with entities designated in the annexes to these three resolutions as subject to targeted sanctions. As such, the asset freeze measures set out in paragraph 12 of UNSCR 1737, adopted unanimously on December 23, 2006, may apply. Paragraph 12 of UNSCR 1737 requires all States to &freeze the funds, other financial assets and economic resources which are on their territories⁸ not only of individuals or entities listed in the annexes to those resolutions, but also of entities owned or controlled by them or acting on their behalf. In addition, States are required to prevent the provision to such entities of any economic resources.

¶ 17. (U) Five companies from Iran were removed from the Latin American Aero and Defense (LAAD) exhibition in Brazil in April 2007 to ensure full compliance with measures imposed in UNSCRs 1737 and 1747.

¶ 18. (SBU) Participation by these Iranian entities in the April 21-24 DSA 2008 exhibition may result in violations of UNSCRs 1737, 1747, and/or 1803. Moreover, allowing such participation runs counter to the strong message that the international community is sending to Iran that it must change course and comply with its obligations to suspend its proliferation sensitive nuclear activities and cooperate fully with the International Atomic Energy Agency.

Reporting Requirement and POC

¶ 19. (U) Please report delivery of the demarche and any immediate response by April 25.

¶ 10. (U) Department point of contact is Margaret T. Mitchell, (202) 647-2433, mitchellmt2@state.sgov.gov. Please slug all replies to ISN, T, IO and EAP. Department thanks Post for its assistance.

RICE

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End Cable Text